

Senate Bill No. 229

CHAPTER 1070

An act to amend and supplement the Budget Act of 1996 by amending Item 9210-103-0001 of, and adding Item 9210-490 to, Section 2.00 thereof, relating to local government finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 29, 1996. Filed
with Secretary of State September 30, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

SB 229, Calderon. Local government finance: redevelopment agencies: subventions.

(1) The Budget Act of 1994 appropriated \$2,900,000 for allocation by the Controller for assistance to redevelopment agencies that had pledged, pursuant to bond instruments and supporting documents, special supplemental subventions as security for payment of the principal and interest on bonds, and required the Controller to prorate the allocation to the redevelopment agencies, if the allocation exceeded that appropriation. Fifty percent of the allocation was to be made on or before December 31, 1994, and 50% of the appropriation was to be allocated on July 31, 1995, to be accounted as an expenditure in the 1995-96 fiscal year. The Budget Act of 1995 made a similar appropriation of \$2,900,000, with 50% of the appropriation to be allocated on or before December 31, 1995, and 50% of the appropriation to be allocated on July 31, 1996, to be accounted as an expenditure in the 1996-97 fiscal year. The Budget Act of 1996 similarly appropriates \$5,000,000, for assistance to redevelopment agencies, with 50% of the appropriation to be allocated on or before December 31, 1996, and 50% to be allocated on July 31, 1997, to be accounted as an expenditure in the 1997-98 fiscal year.

This bill would require the Controller to allocate any funds remaining following the allocation of funds to redevelopment agencies from the funds appropriated in the Budget Act of 1996 to those redevelopment agencies that met specified requirements in the Budget Act of 1994, in an amount sufficient to eliminate any remaining shortfall in the payment of eligible claims from the 1994-95 fiscal year, and would provide for a proration if that allocation exceeds the amount of the appropriation remaining. The bill would also reappropriate any unencumbered balance of the appropriation made in the Budget Act of 1995, as specified, for allocation by the Controller to those redevelopment agencies that

met specified requirements in the Budget Act of 1994, in an amount sufficient to eliminate any remaining shortfall in the payment of eligible claims for the 1994–95 fiscal year, and would provide for a proration if those allocations exceed the amount of the reappropriation.

(2) This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Item 9210-103-0001 of Section 2.00 of the Budget Act of 1996 is amended to read:

9210–103–0001—For local assistance, Local Government Financing. For assistance to redevelopment agencies, to be allocated by the State Controller 5,000,000

Provisions:

1. The appropriation made by this item shall be in lieu of any appropriation required pursuant to Chapter 1.5 (commencing with Section 16110) of Part 1 of Division 4 of Title 2 of the Government Code.
2. The Controller shall allocate funds appropriated in this item to redevelopment agencies that have pledged, pursuant to bond instruments and supporting documents, special supplemental subventions as security for payment of the principal and interest on bonds, and have demonstrated that gross tax increment revenues allocated to them in the 1995–96 fiscal year (as reported for inclusion in the Controller’s “Annual Report of Financial Transactions Concerning Community Redevelopment Agencies of California, Fiscal Year 1995–96”), less housing set-aside amounts not available for debt service, and less any reserve requirement deficiency existing as of December 31, 1996, would be insufficient to cover their maximum annual debt service requirements on bonds to which special supplemental subventions have been pledged. The amount allocated to any redevelopment agency shall not exceed the lesser of: (a) the amount that the

redevelopment agency would otherwise be entitled to receive pursuant to paragraph (3) of subdivision (c) of Section 16111 of the Government Code, or (b) the amount required by the redevelopment agency to cover its maximum annual debt service requirements on bonds to which special supplemental subventions have been pledged, plus any reserve requirement deficiency existing as of December 31, 1996, less the amount of gross tax increment revenues allocated to it in the 1995-96 fiscal year, less housing set-aside amounts not available for debt service.

3. If the allocation required pursuant to Provision 2 would exceed the amount of the appropriation in this item, the Controller shall prorate the allocation to those redevelopment agencies that meet the requirements of Provision 2.
4. Notwithstanding Section 2.00, the Controller shall allocate 50 percent of the appropriation in this item on or before December 31, 1996, and 50 percent of the appropriation in this item on July 31, 1997. Expenditure of the amount to be allocated on July 31, 1997, shall be accounted by the Controller as an expenditure of the 1997-98 fiscal year.
5. The Controller shall allocate any funds remaining following the allocation required pursuant to Provision 2 to those redevelopment agencies that met the requirements of Provision 2 of Item 9210-103-001 of Section 2.00 of the Budget Act of 1994 (Chapter 139, Statutes of 1994), in an amount sufficient to eliminate any then remaining shortfall in payment of eligible claims from the 1994-95 fiscal year.
6. If the allocation required by Provision 5 would exceed the amount of the appropriation remaining following the allocation required pursuant to Provision 2, the Controller shall prorate the allocation required pursuant to Provision 5.
7. Any allocation required pursuant to Provision 5 shall be made by the Controller on or before September 30, 1997.



SEC. 2. Item 9210-490 is added to Section 2.00 of the Budget Act of 1996, to read:

9210-490—Reappropriation, Local Government Financing. Notwithstanding any other provision of law, any unencumbered balance of the appropriation made by Item 9210-103-001 of Section 2.00 of the Budget Act of 1995 (Chapter 303, Statutes of 1995) subsequent to July 31, 1996, for allocations as described in Provision 4 of that item, is hereby reappropriated for allocation by the Controller to those redevelopment agencies that met the requirements of Provision 2 of Item 9210-103-001 of Section 2.00 of the Budget Act of 1994 (Chapter 139, Statutes of 1994), and received prorated allocations, in an amount sufficient to eliminate any shortfall in the payment of eligible claims for the 1994-95 fiscal year. If the allocations required by this item would exceed the amount of the reappropriation, the Controller shall prorate the allocations required by this item. The allocations required by this item shall be made by the Controller on or before September 30, 1996.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide timely and essential fiscal relief to redevelopment agencies that have pledged, pursuant to bond instruments and supporting documents, special supplemental subventions as security for payment of the principal and interest on the bonds, and to safeguard the credit rating of those redevelopment agencies, it is necessary that this act take effect immediately.

